

A STUDY ON THE PROSPECTS OF DIGITAL PLATFORM FOR MULTI-NETWORK MARKETING (MNM) IN RETAIL INDUSTRY

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ABSTRACT

Multi-network marketing is known as Pyramid selling, where it involves the promotion of the products and services of the company. It also involves field work and online marketing. Where through online it helps to know the potential digital platform for Multi-network marketing in retail industry. Implementation of a plan is one of the main aspect of the Multi-network marketing, where it involves some techniques and training for promotion in the retail industry. This paper focuses on the prospects for digital platform for Multi-network marketing in retail industry. The objective is to examine entrepreneurship opportunities in retail for Multi-network marketing sector. The sample was selected from Multi-network marketing companies. The data was collected through scheduled questionnaire and telephone interview.

KEYWORDS: *Multi-Network Marketing, Digital Platform & Retail Industry*

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INTRODUCTION

Multi-network marketing is also called as Multi-level marketing where it involves the sale of products and services. The products and services are sold from person to person in the form of a chain. It is also called as pyramid selling or referral marketing. The main thing in Multi-network marketing is that the salesman directly sells the goods or services to the buyer, where the salesman has to convince the buyer about the quality and utility about the products and services. This is the first part in the Multi-network marketing. Once the buyer buys the product or services from the sales executive, the buyer will receive the information of the product from the salesman. The buyer can place the order for products in order to sell the product to other customers. The buyer will become the seller and the chain continues. Every time when a customer becomes seller and sells the product, the original seller will get a percentage of sales. This is one of the modes of generating income. It is in fact one of the motivating factor for taking up in Multi-network marketing.

Multi network marketing helps the sales person to have a close interaction with the market, know the tastes and preferences of the consumers there by will be able to assess the demand & supply new strategies can be developed for selling. It's all about the teamwork which gets success to the company and the team members. MNMs have 2 main things in common. First, one doesn't see them on stores, if one buys them through distributors like friends, family and co-workers and secondly those distributors are always looking for more people to join them.

Philip Kotler defined Multi-network marketing as follows: “Multi-network marketing is described as a system in which companies’ contract with individuals to sell a set of products to door to door or office to office. It is called Multi-network because a contractor can also invite others to work and earn money.

Herbalife, Amway, Modi care are some of the examples for Multi-network marketing. Multi-network marketing is an important concept in retail marketing.

Retailing is one of the process of selling the products or services to the customers through various channels of distribution. Retail industry is quite mature and is highly competitive. The buyer who is buying the products or services is using for his own consumption. Overall Retail is a transaction where there is exchange of money.

Retail industry started with a historical & rural approach to retail, where in there was weekly markets, there were different fairs and melas etc. There were a pure source of entertainment for the villagers and hence this particular historical way of starting the retail started in India. After that it went on to the traditional reach where there were convenience stores, these are the neighbourhood stores.

The government retail in a particular way by getting cooperatives, housing societies as well as PDS outlets. The advantage of having government support was there was availability and there was low cost involved in getting the goods and services. Lastly the international/modern format, where in there are department stores, shopping malls etc.

Retail industry has been evolved from the traditional times to the modern times. Barter system was the first form of retail. It was followed by the neighbourhood stores Manufacturing came up in the small stores, there was a monopoly in the market. The doors of economy opened up and lots of trading started. The key factors for the retail industry are effective forecasting, strong balance sheet, stock control, proximity to market, Marketing and customer service.

Multi-network marketing are typically focused on retails it’s a lot easier than recruiting and helps building confidence as well as we can get to know about the products in detail and helps to get opportunities. One must start by stimulating interest and asking questions to everyone he needs, once he gets customers he can work and convert them to distributors and future business partners. Leading with the products is known as bottom of recruiting, leading with the opportunities is known as Top down recruiting.

LITERATURE REVIEWS

The study on Multi-network marketing is a way of distributing products and services. The distributors can earn income from their retail sale made by their direct and indirect recruiters, the distributors can highly make income through the companies and by their teammates by selling the products and services. Multi-network marketing does not involve any kind of store retailing. They only have to have face to face communication with the sellers that involves exchange of money for Products and services. (Peter J Vander and William W.Keep 2002). In the words of (Michael G Pratt 2000) he says that Multi-network marketing not only provides equal opportunities to all the people in the industry, though it does not differentiate between Sex, background, nationality, caste or religion etc. Although it helps in achieving the dreams and goals through initiatives and personal efforts. MNM does not limit the opportunities who have got experience, skills and some amount of capital to invest. Mainly the people who are getting involved in multi-network marketing have to commit themselves to build relationship of the business. Out of all Multi-network marketing trains the members personally for their growth, the training sessions consists of books, meetings, seminars etc. The business owners will follow the legal guidelines which is set up by the organisation. They also develop the business by the sponsorships.

According to (Michael Smith 2014) he says that Multi-network marketing provides a very strong commitment to the members, where the marketing does not have any central business location they will all spread all over the country, he also says that the members have to work independently, taking the guidelines and support from the top level executives. He also adds up that family conflicts has to be committed, and also there will be many friendships made in such type of work and will have a good relationship. MNM asked the distributors to mainly focus on their initial sales by involving the family and friends into the line. Hence we can come to know about the team members afford for the Multi-network marketing and hence there is capability of building the network in the retail industry.

When compared to Micheal Smith,(Brian Bloch 1996), in the journal of consumer marketing, examines the relationship between the seller and his prospective. He says that in the states where people promote multi-network marketing, praise it with an opportunity of a lifetime with no issues. The process of promoting also influences the opportunities to the friends, as it forms the circle. He also tells that sellers can make money from marketing. It is that team member in a team gets promoted when he recruits other person for his team and it creates an opportunity for the development of Multi-network marketing in the retail industry.

According to (Ming Ouyang and E Stephen Grant 2004), he says that Multi-network marketing is not like single level marketing as they are dependent on the active sales people who can recruit, train and supervise new sales people. Recruiting sales people receives compensation for the new member for the amount they have invested. They promise to pay commission for joining the new member in the sense of motivation. By knowing the active participation of the new members being recruited in the Multi-network marketing it helps for its development and its success in the retail world.

(Venkata chary Srinivasan 1979), in his research paper he states that 'Network models for estimating the brand-specific effects in multi-attribute marketing models says about the customer's preference, that a particular brand. He has taken the example of coco-cola and Pepsi, where these two brands have the same value but they enjoy different market shares. The aim is to estimate the brand-specific effect to be the component of overall preference. There is also some problem with the estimations which have a close relationship to minimum cost network flow models that are being involved in the research. As per the rural area research study it reveals that the brand specific component improves the validity of the multi-attribute model. And hence here by his words its known that the customers get the knowledge about the products, services and the brands where it helps them in choosing the right brand for the products.

According to (RudraBasavaraj 2010), he tells about the retailing industry in the marketing world, where Retailing is socio-economic system which brings the people together, to exchange the goods and services for a minimum consideration; that matches the needs and wants of the people in the market, where the ultimate customers with those of manufacturers and agriculturists not only satisfies the essential daily necessities of life but also promotes new beginning and lifestyles thus peace, happiness and prosperity in the organisation . Hence this gives the introduction to retailing which stands as a base for the Multi-network marketing.

Retail is as old as exchange, where it is one of the oldest business in the world which is practiced from historical times. Earlier it was just the exchange of food and traditional weapons which followed the emergence of traders and peddlers. The day barter has been replaced by exchange through money the retail came into existence. This tells about the development of the retail industry. These are the words of (Tiwari 2009)

(According to Aydin 2013), he says that most People often think that retailing is just the selling of goods at the stores, while retailing at the same time includes the sale of services. For example accomodation in a hotel, visiting a doctor, hair cutting in a saloon, buying or distributing a pizza at home are all the retail services that is being involved. Thus, it helps to know about the functions of retail in the business.

Dale Gillian and Banfield Graham have introduced the concepts of distribution and retailing in a proper manner. They say that Distribution refers to the process of movement of goods from the original manufacturer to the final consumer. The line of exchange is called as the chain of distribution. Where in this final chain of retail is the end point. Retailing not only includes all the activities that are involved in the selling of the goods and services to the final consumers for personal, nonpersonal use. Retailers perform several other functions in the markets such as bulk breaking, assorting, storing, advisory services etc. Manufacturers and wholesalers expect retailers to be a part of their established channel through which the customer give feedback and flow back to them. The authors present the fact that retailer is the first contact point that the customer has with the product and services and hence this fact gives them tremendous power. (Dale Gillian and Banfield Graham 2018).

In the words of (Baker 2009), he stated that the customers Comes to know about the brands through social media. He also estimated that the customers has generated more than 400 billion impressions about the products and services through the help of social media in the year 2011.

Approximately 25% of the number of impressions are created through all the forms of online marketing. It earned the media impressions which help the people to learn about the products.

(Thomas 1998) had started the effectiveness of internet in the field of network marketing and communication, which explores the uses and effectiveness of electronic channels, which is similarly related to E-commerce. Thomas also said that the internet will change the way of the business work.

Online marketing not only affects the way of business model and organisation designs, which carry of the operations and manage the supply chain. But it has a good effect for the products and services in the todays marketing field, where the promotions and advertisement takes place. (Hoffman 2000)

OBJECTIVES OF THE STUDY

- To examine entrepreneurship opportunities in retail for Multi-network marketing sector
- To understand the potential digital platform for Multi-network in the retail industry

NEED FOR THE STUDY

When it comes to success of the network marketing business, online marketing plays an important role. To market oneself and to promote the products and services, the main need is the support of internet marketing. Where online marketing involves the activities from designing the website of the business and implementing marketing techniques through online. It helps to improve the brand of the business and sales. Buy this way it helps to expand the market visibility to a larger population, where there will be great connection with the customers, the company can cope up with the competition and also its good for the research and development.

Multi-network marketing basically works with the help of networking and communicating skills. This paper aims at use of digital media will help participants in the Multi-network marketing to develop better networking skills, then will be able to keep in touch with the members constantly This paper focuses on exploring options available for Multi-network marketing in using digital platform for sales and connectivity.

RESEARCH METHODOLOGY

The structured questionnaire was distributed to the participants of Multi-network marketing companies. Telephone interview were also used as a medium to collect the data. Telephone interview which provided an option of collecting detailed information from the respondents. Researcher spoke to the respondents on usage digital media and recorded the conversation. This study is descriptive in nature, where statistical tools, average percentage and percentile are used to analyse and arrive at the results.

DATA ANALYSIS AND INTERPRETATION

When studying about the nature of business in retail industry, Out of the fifteen people selected for the survey, 7 companies are having the FMCG business, where it is one of the highest business in the retail sector. The nature of business in other companies is quite less, where the Trip in retail industry is only having with 3 companies, the energy saving products, the cosmetic products have 2 companies each. The personal care products and the web applications have a single company each. This is the nature of business in the retail industry.

In the study of the average amount of retail sales in Multi-network marketing the average amount of retail sales is provided with the help of a graph, where the average amount of sales of FMCG is Rs 56000, which is more when compared to all the other companies, as the FMCG products has got 7 companies average sales of energy saving products is 50000, and average sales of cosmetic products is 16250 Rs and the rest includes trip packages and web applications. The actual amount of sales is being provided by the following table.

Table 1

Type of the Company	Actual Amount of Retail Sales	Number of Companies	Average Amount of Retail Sales
FMCG	3,92,000	14	56,000
Trip	1,37,000	6	45,666
Cosmetic products	75,000	4	37,500
Energy saving products	1,00,000	4	50,000
Personal care products	75,000	2	75,000
Web applications	70,000	2	70,000

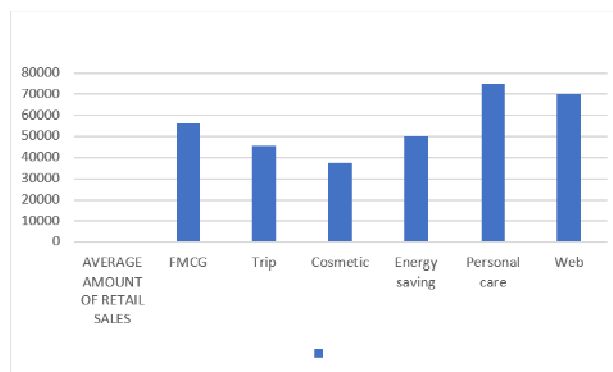


Figure 1

Comparing when making a study about the average amount of sales that is done through the family and friends, FMCG takes the first place where the average sales done through it comes around 25000 whereas the energy saving products comes around 17500, average of cosmetic products comes around 15000, the average of trip packages comes to 30000, And finally the average of Personal care and Web applications comes to 25000 and 15000 respectively. This is the average amount of retail sales done for family and friends.

The average sales amount is taken by dividing the actual sales by the number of companies.

Table 2

Type of the Company	Actual Amount of Sales Done for Family and Friends	No. of Companies	Average Amount of Sales done to Family and Friends
FMCG	1,77,000	14	25,000
Trip	90,000	6	30,000
Cosmetic products	30,000	4	15,000
Energy saving products	35,000	4	17,500
Personal care products	25,000	2	25,000
Web applications	15,000	2	15,000

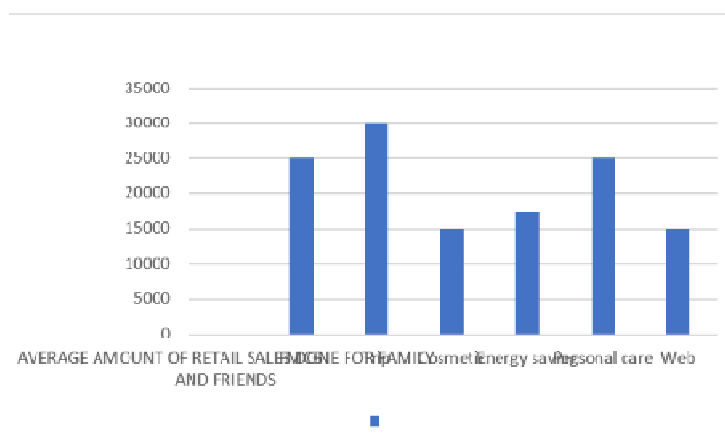


Figure 2

When doing the survey about whether Multi-network marketing is riskier than advertising and direct selling, all the 16 companies have selected that Multi-network marketing is not riskier than Advertising and direct selling. Since all the companies have given a positive response, we can come to know that Multi-network marketing is having a wider scope in the market. The status is shown in the following table

Table 3

Do You Think MNM is Riskier than Advertising and Direct Selling	Nos.
YES	0
NO	32

Most of the companies started earning profit in the year 2010 to 2017, where the other few companies started earning in the year 2000 to 2009, and the other 2-3 companies earned before the year 2000.

When the survey was made on whether Multi-network marketing can be made successfully part-time, all the companies have given a positive response that it can be made successfully part-time. As there is a positive response from the respondents Multi-network marketing will be having a greater scope.

Table 4

Can MNM be Done Successfully Part-Time	Nos.
YES	32
NO	0

In the survey when it is made how bringing new people into the business. The respondents of the 18 companies which has selected that 7 companies bring new people into the business through online, and 9 companies bring new people into the business in person. And no companies selected that one could bring people into the business through phone.

Table 5

How Do You Bring New People Into the Business	Nos.
ONLINE	14
IN PERSON	18
BY PHONE	0

In the survey conducted on checking whether the company provides any training for sales. 12 out of the 18 companies have given a positive response saying that the company will provide training for sales. When surveyed whether the company provides training for sales, and remaining 6 companies does not provide training for sales, as there are some technical problem that is being involved in the company.

Table 6

Does the Company Provide Training for Sales	Nos.
YES	24
NO	8

Different companies have given different opinions about the Multi-network marketing, where the FMCG companies say that Multi-network marketing can be done successfully, it is the best marketing strategy for sales, and it has great scope and direct selling of the products and helps in gaining the customers to work in the market effectively. Energy saving products said that Multi-network marketing is a binary plan where one can be a leader and handle credit. Cosmetic product companies have said that Multi-network marketing is highly profitable if it is worked properly. And other companies have said that there must be proper planning for the success in the market and there are some of the certain techniques that are to be followed. These are the opinion of Multi-network marketing by different companies. Royal Holidays company is one of the Multi-network marketing business where one can enjoy trips and at the same time can earn-money.

Correlations

Correlations

		online	person
online	Pearson Correlation	1	.193
	Sig. (2-tailed)		.509
	N	18	14
person	Pearson Correlation	.193	1
	Sig. (2-tailed)	.509	
	N	14	14

Figure 4

CONCLUSIONS

Multi-network marketing plays a important role in the digital platform in the retail industry. Where it gets a wider scope for the online marketing which will be helpful for most of the people in dealing with their buying and sales in an effective manner. Multi-network marketing is having a growth in the online sector where it is not much time consuming, and the people can find accurate information through the online marketing websites.

There are both advantages and dis-advantages that takes place through the digital platform in the Multi-network marketing. One of the dis-advantage is that the salesman cannot convince the buyer about the products and services, as there is no face to face communication that is involved. As everything is through digital it involves less interaction with the people. Digital platform is one of the upgradation in the Multi-network marketing, where the work of the people has been reduced, the sales persons can make better innovations for the promotion of the products and services. Hence this is the right time for Multi-network marketing for booming in the years through digital platform.

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